

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF ILLINOIS

SUMIT GUPTA, Individually and
on Behalf of All Others Similarly Situated,

Plaintiff,

v.

POWER SOLUTIONS INTERNATIONAL,
INC., GARY S. WINEMASTER, DANIEL P.
GOREY, and MICHAEL P. LEWIS,

Defendants.

No. 1:16-cv-08253

CLASS ACTION

JOINT STATUS REPORT

PETER STOUT, Individually and
on Behalf of All Others Similarly Situated,

Plaintiff,

v.

POWER SOLUTIONS INTERNATIONAL,
INC., GARY S. WINEMASTER, DANIEL P.
GOREY, and MICHAEL P. LEWIS,

Defendants.

No. 1:16-cv-09599

Lead Plaintiff Richard Giunta (“Lead Plaintiff”) and Defendants Power Solutions International, Inc. (“Power Solutions,” or the “Company”), Gary S. Winemaster, Michael P. Lewis, and Daniel P. Gorey (collectively, “Defendants,” and together with Lead Plaintiff, the “Parties”), respectfully submit this Joint Status Report pursuant to the Court’s order dated March 31, 2017 (the “Order”) (Dkt. No. 57). In its Order, the Court ordered (i) Lead Plaintiff to file a consolidated amended complaint by May 22, 2017 and (ii) the Parties to file a joint status report regarding the status of the contemplated restatements of the financial statements of Power Solutions by May 8, 2017.

As previously described in the Parties’ Joint Status Report filed on January 18, 2017 (Dkt. No. 38), Power Solutions announced on January 5, 2017 that it would be restating its financial statements for (i) the fiscal year ended December 31, 2015 and the second, third, and fourth fiscal quarters within that fiscal year, and (ii) the fiscal quarter ended March 31, 2016. Following that initial announcement, a number of events have occurred, including (i) Power Solutions replacing its previous independent registered public accounting firm, RSM US LLP, with Frazier & Deeter, LLC, and (ii) Power Solutions requesting an extension from the Nasdaq Hearings Panel (the “Panel”) in order to stay any delisting of the Company’s securities from the Nasdaq Capital Market (the “Nasdaq”).¹ Because the Panel had the discretion to grant an extension through August 7, 2017, the Company targeted that date as an outside date to complete the restatements.²

Since the entry of the Court’s March 31, 2017 Order, the following additional events have occurred:

¹ See Lead Plaintiff’s Unopposed Motion for Amendment of Scheduling Order Regarding Filing of Consolidated Amended Complaint, filed on March 30, 2017, at ¶¶3-4 (Dkt. No. 54).

² *Id.* at ¶5.

First, on April 7, 2017, the Company filed a Form 8-K with the Securities and Exchange Commission (“SEC”), stating that in addition to the periods previously described, Power Solutions would be restating its financial statements for additional periods, including the fiscal year ended December 31, 2014 and the first fiscal quarter of 2015.³ Specifically, the Company stated:

Based on its current assessment, the Company expects its restated financial statements for the 2014, 2015 and 2016 fiscal years (and the quarterly periods within such fiscal years) will reflect adjustments that may (i) result in a shift of recognized revenues from prior periods to subsequent periods in the aggregate amount of approximately \$48 million to \$74 million for the three year period reflecting an increase in revenues recognized in certain periods and a decrease in revenues in other periods and (ii) reflect a determination that recognized revenues in the aggregate amount of approximately \$5 million for the three year period may be treated as uncollectible accounts receivable or erroneously recognized revenues from the outset. While the estimated revenue adjustments reflect the current assessment of the accounting errors, there can be no assurance that the final adjustments that are made as part of the restatements will not differ materially from the estimated adjustments. Nor can the Company provide assurance that other errors will not be identified or that prior accounting periods during the course of the Company’s review and restatement will not be impacted.

Id.

Second, on April 18, 2017, the Company filed a Form 8-K with the SEC, stating that the Company had received a notice from the Nasdaq indicating that the Panel had determined to delist the shares of the Company’s common stock from Nasdaq and would suspend trading in the stock effective at the open of business of April 19, 2017.⁴ The Form 8-K further stated that following the suspension of trading on the Nasdaq, the Company’s shares would be quoted on the OTC Pink market electronic quotation service, and that the Company “intends to promptly seek relisting of its common stock on a securities exchange once it has completed the restatement

³ See Declaration of Jason L. Krajcer (“Krajcer Decl.”), Ex. 1.

⁴ See Krajcer Decl., Ex. 2.

of its financial statements and it is current in its SEC filing obligations.” *Id.*

While the Nasdaq delisting means that August 7, 2017 is no longer a deadline for the completion of the restatements, the Company anticipates completing the restatements and becoming current with its SEC filings by August 2017. Although the Company is still working diligently to complete the restatements, there can be no assurances that the process will be complete by that time. The Company does not currently expect, however, to complete the restatements by May 22, 2017, the current deadline for Lead Plaintiff to file a consolidated amended complaint.

In light of these developments, Lead Plaintiff seeks another 45-day extension of the deadline for the filing of the consolidated amended complaint, from May 22, 2017 to July 6, 2017 (and will be filing a separate motion for that extension). Defendants do not oppose this request. The Parties also intend to file a further joint status report regarding the status of the restatements by June 22, 2017.

Respectfully submitted,

Dated: May 8, 2017

GLANCY PRONGAY & MURRAY LLP

By: s/ Jason L. Krajcer
Robert V. Prongay (*admitted pro hac vice*)
Jason L. Krajcer (*admitted pro hac vice*)
1925 Century Park East, Suite 2100
Los Angeles, CA 90067
Telephone: (310) 201-9150
Facsimile: (310) 201-9160
Email: rprongay@glancylaw.com
jkrajcer@glancylaw.com

LAWRENCE, KAMIN, SAUNDERS &
UHLENHOP LLC

Mitchell B. Goldberg
John S. Monical
Peter E. Cooper
300 S. Wacker Drive, Suite 500
Chicago, IL 60606
Telephone: (312) 372-1947
Facsimile: (312) 372-2389
Email: mgoldberg@lksu.com
jmonical@lksu.com
pcooper@lksu.com

Attorneys for Lead Plaintiff and the Class

Dated: May 8, 2017

VEDDER PRICE P.C.

By: s/ Thomas P. Cimino, Jr.

Thomas P. Cimino, Jr.
Junaid A Zubairi
Rachel T. Copenhaver
Rebecca Lynn Dandy
222 North LaSalle Street, Suite 2600
Chicago, IL 60601
Telephone: (312) 609-7500
Email: tcimino@vedderprice.com
jzubairi@vedderprice.com
rcopenhaver@vedderprice.com
rdandy@vedderprice.com

*Attorneys for Defendants Power Solutions
International, Inc., and Gary S. Winemaster*

Dated: May 8, 2017

KATTEN MUCHIN ROSENMAN LLP

By: s/ Michael J. Diver

Michael J. Diver

Allison M. Freedman

Michael J. Lohnes

525 West Monroe Street

Chicago, IL 60661

Telephone: (312) 902-5200

Email: michael.diver@kattenlaw.com

allison.freedman@kattenlaw.com

michael.lohnes@kattenlaw.com

Attorneys for Defendant Daniel P. Gorey

Dated: May 8, 2017

REED SMITH LLP

By: s/ Steven Alan Miller

Steven Alan Miller

Theresa Lynn Davis

10 South Wacker Drive, 40th Floor

Chicago, IL 60606

Telephone: (312) 207-1000

Email: samiller@reedsmith.com

tdavis@reedsmith.com

Attorneys for Defendant Michael P. Lewis

PROOF OF SERVICE

I, the undersigned say:

I am not a party to the above case, and am over eighteen years old.

On May 8, 2017, I served true and correct copies of the foregoing document, by posting the document electronically to the ECF website of the United States District Court for the Northern District of Illinois, for receipt electronically by the parties listed on the Court's Service List.

I affirm under penalty of perjury under the laws of the United States of America that the foregoing is true and correct. Executed on May 8, 2017, at Los Angeles, California.

s/ Jason L. Krajcer
Jason L. Krajcer

Mailing Information for a Case 1:16-cv-08253 Guinta v. Power Solutions International, Inc. et al

Electronic Mail Notice List

The following are those who are currently on the list to receive e-mail notices for this case.

- **Thomas P. Cimino , Jr**
tcimino@vedderprice.com,ecfdocket@vedderprice.com,bhahn@vedderprice.com
- **Peter E. Cooper**
pcooper@lksu.com,shennessey@lksu.com,aterry@lksu.com
- **Rachel T. Copenhaver**
rcopenhaver@vedderprice.com,ewatt@vedderprice.com,ecfdocket@vedderprice.com
- **Patrick Vincent Dahlstrom**
pdahlstrom@pomlaw.com,mjsteven@pomlaw.com
- **Rebecca Lynn Dandy**
rdandy@vedderprice.com,ecfdocket@vedderprice.com,trobinson@vedderprice.com
- **Theresa Lynn Davis**
tdavis@reedsmith.com,theresa-davis-4143@ecf.pacerpro.com,reed-smith-2312@ecf.pacerpro.com,kgord@reedsmith.com
- **Michael J. Diver**
michael.diver@kattenlaw.com,rosie.gradilla@kattenlaw.com,ecf.docket@kattenlaw.com
- **Marielise Fraioli**
mfraioli@lksu.com,jjones@lksu.com,aterry@lksu.com
- **Allison Marz Freedman**
allison.freedman@kattenlaw.com,kimberly.perez@kattenlaw.com,ecfdocket@kattenlaw.com,chicago.arc21@kattenlaw.com
- **Mitchell Benjamin Goldberg**
mgoldberg@lksu.com,jjones@lksu.com
- **Jason L. Krajcer**
jkrajcer@glancylaw.com
- **Jeremy Alan Lieberman**
jalieberman@pomlaw.com,disaacson@pomlaw.com,lpvega@pomlaw.com
- **Michael James Lohnes**
michael.lohnes@kattenlaw.com,rosie.gradilla@kattenlaw.com,ecfdocket@kattenlaw.com
- **Louis Carey Ludwig**
lcludwig@pomlaw.com
- **Elizabeth Camper Lyons**
elyons@lksu.com,shennessey@lksu.com,aterry@lksu.com
- **Steven Alan Miller**
samiller@reedsmith.com,reed-smith-2312@ecf.pacerpro.com,jlong@reedsmith.com,steve-miller-7673@ecf.pacerpro.com
- **John Scott Monical**
jmonical@lksu.com,jjones@lksu.com,aterry@lksu.com

- **Robert Vincent Prongay**

rprongay@glancylaw.com

- **Junaid A Zubairi**

jzubairi@vedderprice.com,shampton@vedderprice.com,ecfdocket@vedderprice.com

Manual Notice List

The following is the list of attorneys who are **not** on the list to receive e-mail notices for this case (who therefore require manual noticing). You may wish to use your mouse to select and copy this list into your word processing program in order to create notices or labels for these recipients.

J.	Alexander Hood	, III
Pomerantz LLP		
600 Third Avenue		
20th Floor		
New York, NY 10016		